

ARTICLE APPEAL
ON PAGE 28NEWSWEEK
15 February 1982

Is There a CIA Link With Kaddafi?

It is a government scandal that will not die, a sinister suspicion that the CIA cannot—or will not—police “rogue” agents and ex-agents who sell CIA skills and connections to foreign governments. It has already spawned grand jury hearings and investigations by at least five government bodies, and the House Select Committee on Intelligence spent most of last week behind closed doors attempting to detail the activities of two prime rogues, Edwin Wilson and Frank Terpil, former CIA operatives who in 1976 contracted with Libya's Muammar Kaddafi to provide intelligence and weaponry and to train Kaddafi's terror teams.

Although ostensibly gone from the CIA, Wilson had numerous connections with the agency during that period. He offered \$1 million to three CIA agents to assassinate a Libyan dissident, secured explosive devices from one active CIA officer and directed another's recruitment of Green Berets for duty in Libya. Indeed, Wilson appeared to be so close to senior CIA personnel in the “dirty tricks” Operations Directorate that many participants in his dubious intrigues are convinced—or claim to be—that they were involved in an official CIA operation to penetrate Kaddafi's entourage.

CIA director William Casey and his deputy, Bobby Inman, insisted last week that neither Wilson nor Terpil had formal links to the agency during their Libyan operations. It was, they said, simply Wilson's aptitude for name-dropping that created the impression of official sanction. But NEWSWEEK has talked to one House committee witness whose story suggests that more than name-dropping was involved.

‘Big Bucks’: Luke Thompson, 47, was a Green Beret master sergeant in 1977 when he was recruited to work in Libya under Wilson. Now retired from the armed forces and training as a nurse in Hawaii, Thompson remains convinced that he was participating in a CIA operation. Like many Green Berets, Thompson was a veteran of secret CIA operations, and he was initially suspicious of a telephone offer of “big bucks” to go abroad. Consequently Thompson reported the contact to military intelligence at Fort Bragg, where he was counseled to pursue it. An intelligence officer at the post twice instructed him to “proceed until we tell you to stop.” Says Thompson: “To me this was a CIA operation from that point forward.”

Thompson was hardly surprised when Wilson's recruiter, Patry Loomis, turned up in person and introduced himself as “currently employed by the CIA.” In fact, Loomis's agency contract had only days to run, but the impression of official business was enhanced by the ease with which Thompson subsequently obtained leave from his Army duties. Thompson and three men he had recruited then flew to Zurich where they were met by Wilson himself.

Wilson made no references to the CIA. “I want you to go to Libya and make yourself indispensable to those bastards,” Thompson recalls Wilson saying. Thompson asked Wilson who they were working for. “You're working for me,” he replied. Libyan officials seemed to take the official connections of such foreign specialists for granted. “I know that one or all of you are KGB or CIA,” Libya's deputy chief of intelligence told the group. “I don't care who you are. All I want is your professional services.”

‘Stinks’: Back at Fort Bragg, Thompson says, his contact in intelligence informed him that he had learned the Libyan operation was not legal and “stinks to high heaven.” Yet he also told Thompson to maintain contact with Wilson's team in Libya, and Thompson continued to recruit and obtain materials and supplies for them. Called before a Federal grand jury looking into gun-running charges against Wilson and Terpil, Thompson went first to CIA headquarters for guidance. A CIA counsel told him to say anything he wanted,

adding, “If you thought it was a CIA operation, all you had to do was call us.”

Whether the CIA would have confirmed to Thompson its connection with such clandestine activities is open to question. But the agency has been forced to respond to the House-committee investigation with more than an official denial; last week it adopted a new code of conduct, which prohibits employees from using agency facilities or information to make a profit.

The CIA's honor code is unlikely to appease the House committee or stop suspicions about Wilson and Terpil. But the government can do little about them now.

Wilson reportedly still enjoys a haven in Libya. Terpil had been living in Beirut, but his whereabouts now are unclear. There have been grisly rumors that Terpil's appearance in several television documentaries angered some terrorists who kidnapped him, cut out his tongue and killed him. U.S. authorities say only that Terpil has pulled disappearing acts before—and the mystery surrounding both men seems sure to continue.

MARK STARR with RICHARD SANDZA in Waikiki and DAVID C. MARTIN in Washington